

**Supplemental Reporting Document
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August 2006 Investment Committee Meeting
(May 2006 Reporting Period)**

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CURRENT STATUS OF ALL COMPLETED CALPERS REAL ESTATE EQUITY TRANSACTIONS FOR APRIL 2006

ADVISOR	PROPERTY TYPE	PROPERTY NAME	CITY	STATE	MOST RECENT APPRAISED VALUE *	ACQUISITION DATE **	DISPOSITION DATE **	HISTORIC COST *	CALPERS EQUITY SHARE OF TRANSACTION AMOUNT	ESTIMATED AFTER FEE IRR *	STATUS/ COMMENTS
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DISPOSITIONS

CalWest/RREEF	Industrial	Breckinridge Land - p/s	Gwinett County	GA	N/A	09/01/04	04/24/06	N/A	247,295	N/A	Disposition
CalSmart/RREEF	CURE	Oakesdale Corn Center - p/s	Renton	WA	N/A	12/29/03	04/03/06	N/A	16,083,714	N/A	Disposition
CalSmart/RREEF	CURE	Sierra Gateway - p/s	Fontana	CA	N/A	09/30/05	04/27/06	N/A	10,594,752	N/A	Disposition

Total : - - 26,925,761

ACQUISITIONS ***

Blackrock Realty	Apartment	Woodbridge Park	Spring	TX	N/A	04/13/06	N/A	N/A	4,679,593	12.5%	Acquisition
Capri Capital	CURE	Sage at Cupertino	Cupertino	CA	N/A	04/27/06	N/A	N/A	16,801,785	11.5%	Acquisition

Total : 21,481,378

Footnotes

- * The most recent appraised values and historic cost values represent CalPERS' share only.
- * Based upon data provided by partners.
- ** Based on funding settlement date.
- *** See brief descriptions - As attached.

NEW ACQUISITION SUMMARY

Advisor Name: BlackRock Realty

Property Name: Woodridge Park Apartments

City, State: Spring, TX

Ownership %: 95% CalPERS

Acquisition Date: April 13, 2006

Total Project Size: 216 units

Net Rentable Square Feet: 183,716

Project Purchase Price (CalPERS Equity): \$4,679,593.09

Property Highlights/Investment Summary:

Property location, sub-market description:

Woodridge Park is located in the northern suburbs of Spring, Texas in the Far NW/Montgomery submarket. The property is just south of The Woodlands, a 27,000 acre master planned community. The area has more than 1,000 companies providing at least 30,000 jobs.

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

The property was built in 2000 and is a Class A garden-style community consisting of 10 three-story residential buildings and a one-story clubhouse. The unit mix consists of 84 one-bedroom, 102 two-bedroom, and 30 three-bedroom units with an average square footage of 870 SF and a total net rentable square footage of 183,716 square feet. Unit features include nine-foot ceilings, crown molding, built-in bookshelves, walk-in closets, and oval garden tubs with select units containing fireplaces and bay windows. Community amenities include a modern business center, outdoor social room, full size indoor basketball/sport court, fitness center, resort-style pool, 15-seat private screening movie theater, and a children's playground. There are 376 total parking spaces consisting of 72 detached garages, 140 carport stalls, and 164 open spaces. The parking ratio is 1.74 spaces per unit and 1.00 space per bedroom.

Leasing details, percentage leased historical lease rate percentages:

The property was 90.3% occupied at acquisition.

Projected Before Fee Internal Rate of Return:

7.8% 10-year unleveraged, 12.9% 10-year leveraged.

Projected After Fee Internal Rate of Return:

7.4% 10-year unleveraged, 12.5% 10-year leveraged.

Other:

A \$13,800,000 loan was assumed upon acquisition (CalPERS share: \$13,110,000) with an interest rate of 5.166% and a maturity date of November 11, 2015.

NEW ACQUISITION SUMMARY

Advisor Name: Capri Urban Capital I, LLC

Property Name: Sage at Cupertino

City, State: Cupertino, California

Ownership: 90% Capri Urban Capital

Acquisition Date: April 27, 2006

Total Project Size: \$41,864,000 Total Project Basis

Net Rentable Square Feet: 178,913

Project Purchase Price (CalPERS Equity)*: \$16,801,785

Leverage Portion of Purchase*: \$19,305,000 (\$22,000,000 x 90% x 97.5%)

Property Highlights/Investment Summary:

Property location, sub-market description:

Sage at Cupertino is a 230-unit apartment community with an address of 175 Calvert Drive in Cupertino, California (the "Property"). The Property is centrally located off of Stevens Creek Boulevard (with access to Highway 85, Interstate 280 and the Lawrence Expressway) on the border of Cupertino and San Jose in the heart of Silicon Valley. Rent increases, low vacancies and higher values are expected to result from a recovery in high tech employment, limited availability of entitled parcels which will restrict new supply, and high home ownership costs. Cupertino, with a population of 53,452, is home to established Silicon Valley employers, including Apple Computer and Hewlett-Packard. Cupertino's median home sales price was \$923,000 (as of year-end 2005) and ranks as one of the most expensive areas in California. The average household income is \$115,231

Property features, year built, developer, building type/class, square footage, parking details. Energy saving features, etc.:

Built in 1969, the Property consists of 14 two-story apartment buildings and 4 three-story apartment buildings plus a one-story recreation building. The Property features a swimming pool, and a recreation room furnished with a child center, computer room, bathrooms, kitchen and a small fitness center. Average unit size is 778 square feet. The Property contains 365 parking spaces.

Summary leasing details, percentage leased, and historical lease rate percentages:

Average rent (as of February 2006) is \$1,204. Current occupancy is 98.0% with no concessions.

Projected After Fee Internal Rate of Return: 11.5% IRR.

*CalPERS' Share Only

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - May 2006

Partnerships	Date	Transaction	Amount
Alta California II - New Pool	5.1.06	Capital call	\$750,000.00
Advent Latin American P E Fund III	5.1.06	Capital call	\$4,000,000.00
	5.8.06	Capital call	\$5,000,000.00
American River Ventures Fund	5.5.06	Capital call	\$2,250,000.00
Apollo Management Fund VI	5.10.06	Capital call	\$3,085,025.00
Apollo Fund VI	5.10.06	Capital call	\$1,791,470.00
ArcLight III	5.19.06	Capital call	\$12,152,873.00
Ares Corporate Opportunities Fund	5.23.06	Capital call	\$7,456,724.37
Ares Corporate Opportunities Fund II	5.24.06	Capital call	\$664,041.10
	5.30.06	Capital call	\$12,214,131.95
Audax Private Equity Fund II	5.8.06	Capital call	\$5,115,203.00
	5.30.06	Capital call	\$371,780.00
Avenue Asia Special Situations Fund III	5.25.06	Capital call	\$2,500,000.00
Avenue Special Situations Fund IV	5.10.06	Capital call	\$22,265,103.00
Blackstone Capital Partners V - DT	5.30.06	Capital call	\$17,971,706.00
Blum Strategic Partners III	5.17.06	Capital call	\$6,167,763.00
Carlyle Partners III	5.4.06	Capital call	\$702,274.00
Carlyle Riverstone Fund II	5.5.06	Capital call	\$7,545,608.00
	5.25.06	Capital call	\$2,331,280.00
Carlyle Riverstone Fund III	5.5.06	Capital call	\$11,970,938.00
	5.30.06	Capital call	\$3,289,474.00
Carlyle Strategic Partners Fund	5.12.06	Capital call	\$441,375.00
	5.12.06	Capital call	\$1,150,503.00
Carlyle/Riverstone Renewable Energy Fund	5.1.06	Capital call	\$3,299,052.00
CEV	5.11.06	Capital call	\$5,120,440.00
	5.25.06	Capital call	\$3,765,600.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - May 2006

Partnerships	Date	Transaction	Amount
CEV II	5.3.06	Capital call	\$3,334,875.00
	5.5.06	Capital call	\$1,485,087.00
	5.12.06	Capital call	\$1,562,530.00
	5.19.06	Capital call	\$3,500,140.00
	5.24.06	Capital call	\$912,550.00
	5.30.06	Capital call	\$2,125,085.00
CEV III	5.2.06	Capital call	\$1,240,500.00
	5.4.06	Capital call	\$1,293,900.00
	5.5.06	Capital call	\$1,913,500.00
	5.16.06	Capital call	\$1,227,600.00
	5.24.06	Capital call	\$2,102,300.00
	5.31.06	Capital call	\$1,086,900.00
CVC European Equity Fund IV	5.23.06	Capital call	\$1,524,858.00
DFJ Element	5.3.06	Capital call	\$1,800,000.00
Emergence Capital Fund	5.17.06	Capital call	\$1,125,000.00
Fenway Capital Partners	5.3.06	Capital call	\$948,276.00
FFC Partners III	5.8.06	Capital call	\$204,705.00
First Reserve Fund X	5.8.06	Capital call	\$3,657,206.00
	5.18.06	Capital call	\$3,329,693.00
Flagship Ventures 2004	5.5.06	Capital call	\$1,250,000.00
Gleacher Mezzanine Fund	5.17.06	Capital call	\$250,583.00
Green Equity Fund IV	5.1.06	Capital call	\$19,561,610.09
Hellman & Friedman Capital Partners V	5.1.06	Capital call	\$11,108,940.00
	5.19.06	Capital call	\$20,931,211.00
ICV II	5.23.06	Capital call	\$168,410.96
Insight V	5.10.06	Capital call	\$1,218,750.00
Insight V Coinvestment	5.10.06	Capital call	\$1,150,000.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - May 2006

Partnerships	Date	Transaction	Amount
JP Morgan Global Investors	5.5.06	Capital call	\$2,181,927.00
JP Morgan Global Investors [Selldown]	5.5.06	Capital call	\$1,949,464.00
Kohlberg V	5.24.06	Capital call	\$4,453,125.00
Landmark Capital Partners XI	5.19.06	Capital call	\$71,890.00
Levine Leichtman Capital Partners III	5.4.06	Capital call	\$2,000,000.00
MHR II-A	5.17.06	Capital call	\$1,500,000.00
NEA 12	5.22.06	Capital call	\$2,000,000.00
Oak Hill Capital Partners II	5.18.06	Capital call	\$5,017,017.35
OCM Opportunities VI	5.18.06	Capital call	\$2,500,000.00
Paladin Homeland Security Fund	5.18.06	Capital call	\$433,039.00
Parish Capital I	5.8.06	Capital call	\$2,344,992.00
Pharos II-A	5.4.06	Capital call	\$1,250,000.00
Pinnacle II-B	5.22.06	Capital call	\$5,000,000.00
Polish Enterprise IV	5.11.06	Capital call	\$230,769.23
Providence V	5.22.06	Capital call	\$14,676,265.00
RFG Private Equity 1-A	5.5.06	Capital call	\$554,796.00
	5.26.06	Capital call	\$795,714.00
RFG Private Equity 1-C	5.26.06	Capital call	\$101,717.00
Skyline Venture Qualified IV	5.5.06	Capital call	\$1,001,130.00
Technology Partners VII	5.26.06	Capital call	\$4,400,000.00
Thailand Partners	5.10.06	Capital call	\$3,241,633.85
THL Managers VI	5.15.06	Capital call	\$1,593,430.00
Thomas H. Lee V	5.3.06	Capital call	\$2,862,265.00
Thomas Weisel Global Growth	5.30.06	Capital call	\$2,625,000.00
Thomas Weisel Global Growth II	5.25.06	Capital call	\$1,057,083.00
Thomas Weisel Healthcare	5.5.06	Capital call	\$933,750.00
TowerBrook	5.19.06	Capital call	\$394,603.00
TPG Biotechnology II	5.16.06	Capital call	\$1,623,097.00
	5.18.06	Capital call	\$2,200,000.00
TPG IV	5.25.06	Capital call	\$11,896,552.00

INTERNAL PROGRAMS
Alternative Investment Management (AIM) Program
Transactions - May 2006

Partnerships	Date	Transaction	Amount
TPG Ventures	5.3.06	Capital call	\$19,039,008.00
TPG Ventures Holdings	5.3.06	Capital call	\$2,778,445.00
Trinity Ventures IX	5.8.06	Capital call	\$750,000.00
United States Power Fund II	5.17.06	Capital call	\$4,880,272.00
Wayzata Opportunities Fund	5.31.06	Capital call	\$34,500,000.00
Weston Presidio	5.15.06	Capital call	\$1,500,000.00
	5.22.06	Capital call	\$5,005,000.00
WLR Recovery Fund II	5.24.06	Capital call	\$2,598,753.00
WLR Recovery Fund III	5.31.06	Capital call	\$8,684,211.00
Yucaipa Corporate Initiatives I	5.12.06	Capital call	\$1,922,078.00
	5.22.06	Capital call	\$5,298,701.00
	5.23.06	Capital call	\$1,949,783.00
TOTAL CAPITAL CALLS			\$403,182,084.90
TOTAL DISTRIBUTIONS			\$305,828,971.89

INTERNAL PROGRAMS		
Alternative Investment Management (AIM) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Commitment
Attachment 1	Audax Mezzanine Fund II, LP	\$100 million
Attachment 2	Carlyle Asia Growth Partners III, LP	\$75 million

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Audax Mezzanine Fund II, L.P.

Action:

Commit \$100 million to Audax Mezzanine Fund II, L.P. (the “Fund”).

Background:

Audax Mezzanine (“Firm” or “Audax”) is a New York-based middle market mezzanine firm raising its second fund, Audax Mezzanine Fund II, L.P. The Fund will make subordinated debt and other junior capital investments in equity-sponsored middle market businesses with a history of stable cash flow, and consistent top-line growth. The Fund will provide between \$7 and \$40 million of mezzanine capital per transaction. Audax Mezzanine is the mezzanine arm of the Audax Group, a multi-asset class investment firm that was established in 1999. The Fund had a closing in summer 2006 and expect in the fall 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our top performing private equity partners.

Key Principals:

- **Kevin Magid, Managing Director.** Prior to joining Audax in 2000, Mr. Magid was a Managing Director in the Leveraged Finance/Merchant Banking Group of CIBC World Markets Corp. While at CIBC, Mr. Magid focused on leveraged finance transactions, raising bank debt, high yield debt, and mezzanine financing for a wide variety of middle market companies. He also worked at Wasserstein Perella & Co. and Kidder Peabody & Co., and Drexel Burnham Lambert, Inc. Mr. Magid received an M.B.A. from the Wharton School of the University of Pennsylvania and a B.A. from Tufts University.
- **Peter Gummesson, Managing Director.** Before joining the Firm in 2000, Mr. Gummesson was with Albion Alliance LLC, the mezzanine debt and equity investment affiliate of Alliance Capital Management, as a Senior Vice President. Prior to Albion, he worked at Equitable Capital Management Corporation, the predecessor mezzanine business of Alliance Capital. Mr. Gummesson received an M.B.A. in Finance from the William E. Simon School of Business at the University of Rochester and a B.A. in Economics from Lafayette College.

- **Geoffrey S. Rehnert, Co-Chief Executive Officer of the Audax Group.** Before the Audax Group, Mr. Rehnert was a Managing Director of Bain Capital, Inc., which he helped to start in 1984. While at Bain Capital, he helped to initiate the firm's buyout business and served on over 25 boards of Bain Capital's portfolio companies. Mr. Rehnert also worked at Bain & Company and J. P. Morgan and Company, Inc. Mr. Rehnert received a J.D. from Stanford Law School and an A.B. from Duke University.

Analysis:

- **The Firm has developed a strong reputation among quality private equity firms, investment bankers, and other business brokers.** Audax has established itself as a premier mezzanine provider to middle market buyout investors. Despite the entrance of new sources of capital, Audax has distinguished itself as an attractive partner in transactions. This reputation will help attract quality investment opportunities for the Fund.
- **Audax has experienced investment professionals focused on investing the Fund.** The Firm is staffed with former mezzanine providers, bankers, and buyout investors. Audax will leverage its professional's diverse backgrounds to help mitigate downside risk and generate attractive returns for the Fund.
- **The Fund has a similar investment strategy as its predecessor fund, which generated an attractive risk-adjusted rate of return for CalPERS.** Audax will continue to build a diversified pool of investments across industry and equity sponsors. Like the predecessor fund, the Fund will continue to target companies requiring between \$7 and \$40 million of mezzanine financing. The Firm has demonstrated an ability to generate attractive returns executing on this strategy.

Litigation:

According to Audax, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from Grove Street Advisors.

**Alternative Investment Management Program
Executive Summary of Action Taken
Under Delegation of Authority**

Carlyle Asia Growth Partners III, L.P.

Action:

Commit \$75 million to Carlyle Asia Growth Partners III, L.P. (“CAGP III” or the “Fund”).

Background:

The Carlyle Group (“Carlyle” or the “Firm”), an existing AIM partner, is raising its third institutional Asian growth focused private equity fund. Formed in 1987, Carlyle is a global private equity firm based in Washington, D.C. with more than \$30.9 billion under management and 31 active funds. As one of the largest private equity firms in the world, Carlyle has 560 employees, including nearly 300 investment professionals, primarily located in Washington D.C., but also in numerous countries around the globe. The Asian investment team is comprised of seventeen investment professionals located across four countries.

CAGP III will acquire significant minority positions in mostly non-leveraged transactions in emerging companies primarily in high growth industry sectors throughout China, India, Japan, and South Korea. The Fund closed on \$650 million of total commitments as of May, 2006.

This commitment is consistent with the AIM Program Strategic Review because it represents the continued support of one of our strategic private equity partners.

Key Principals:

- **Wayne Tsou, Managing Director/Head of Group.** Wayne will lead the group and also directly oversee the Fund’s investments in China and South Korea. Before joining Carlyle, Wayne spent the previous seven years in private equity with Warburg Pincus where he served as Managing Director, Head of Technology Investments for Asia including Japan and as a member Warburg’s Technology and Communications group. Wayne received his J.D. and M.B.A. from Harvard University.
- **Haruyasu Asakura, Managing Director.** Harayasu will oversee the Fund’s investments in Japan. Before joining Carlyle four years ago, Haruyasu was a founding partner of Apax Globis Partners & Company. Previously, Haruyasu spent thirteen years with Mitsubishi Corporation and received his M.B.A. from Harvard University.

- **Shankar Narayanan, Managing Director.** Shankar will lead the Fund's investments in India. Prior to joining Carlyle, Shankar had eleven years of private equity experience, six year of which were spent with Hathway Investments. Shankar received his post graduate diploma from XLRI Jamshedpur in India.
- **Sean He, Managing Director.** Prior to joining Carlyle, Sean was an Associate Director of Intel Capital. Sean received his M.B.A. from York University in Canada.

Analysis:

- **Carlyle has generated positive returns across a broad and tenured portfolio in a variety of strategies, sectors and geographies.** Carlyle, with more than \$30.9 billion under management, has 31 active funds and five funds under development focused on buyouts, venture/growth capital, real estate and leveraged finance. Carlyle formed its first Asia fund in 2000 and a successor fund was raised in 2001. Both funds are tracking well.
- **The Firm has a strong team of experienced industry professionals.** Prior to joining Carlyle, Mr. Tsou served as Managing Director, Head of Technology Investments for Asia and a member of Warburg's Global Information Technology Group. In addition, the investment team is comprised of seventeen investment professionals organized into teams by country.
- **The Fund will leverage the global network of the Carlyle Group.** With over 300 investment professionals around the world, the Fund will access global resources for due diligence, execution, and realization of Fund investments.

Litigation:

Carlyle has indicated there is no current, threatened, or pending litigation against Carlyle, the Principals, or any affiliated entity.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation No: 00-02 BD (A)1(d).

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from LP Capital Advisors.

INTERNALLY MANAGED DERIVATIVE TRANSACTIONS SUMMARY

April 30, 2006

<u>SECURITY TYPE</u>	(\$ Millions) <u>NOTIONAL</u>
FUTURES PURCHASES	\$0.21
FUTURES SALES	\$0.01
INTEREST RATE SWAPS	\$0.00

INTERNAL PROGRAMS
Risk Managed Absolute Return Strategies (RMARS) Program
Transactions - April 2006

Partnerships	Date	Transaction	Amount
Chatham Asset High Yield Offshore Fund Ltd.	4/1/06	Additional Contribution	\$ 20,000,000.00
Deephaven Market Neutral LLC	4/1/06	Additional Contribution	\$ 50,000,000.00
Lansdowne European Strategic Equity Fund L.P.	4/1/06	Additional Contribution	\$ 30,000,000.00
O'Connor Global Quantitative Equity LLC	4/1/06	Additional Contribution	\$ 30,000,000.00
OZ Domestic Partners II, L.P.	4/1/06	Additional Contribution	\$ 40,000,000.00
Rhapsody Fund, L.P.	4/1/06	Additional Contribution	\$ 30,000,000.00
Tremblant Partners, L.P.	4/1/06	Additional Contribution	\$ 35,000,000.00
Zaxis Institutional Partners, L.P.	4/1/06	Additional Contribution	\$ 30,000,000.00
MPM BioEquities, L.P.	4/1/06	Partial Redemption	\$ 10,000,000.00
TOTAL INVESTMENTS			\$ 265,000,000.00
TOTAL REDEMPTIONS			\$ 10,000,000.00

INTERNAL PROGRAMS
Risk Managed Absolute Return Strategies (RMARS) Program
Transactions - May 2006

Partnerships	Date	Transaction	Amount
KBC Blue Diamond Fund, L.P.	5/1/06	Additional Contribution	\$ 25,000,000.00
Tennenbaum Multi-Strategy Fund LLC	5/1/06	Initial Contribution	\$ 50,000,000.00
Vision Blue Diamond Fund. L.P.	5/1/06	Additional Contribution	\$ 25,000,000.00
Wayzata Recover Fund LLC	5/1/06	Additional Contribution	\$ 16,500,000.00
MPM BioEquities, L.P.	5/1/06	Partial Redemption	\$ 10,000,000.00
TOTAL INVESTMENTS			\$ 116,500,000.00
TOTAL REDEMPTIONS			\$ 10,000,000.00

INTERNAL PROGRAMS		
Risk Managed Absolute Return Strategies (RMARS) Program		
Summary of Investments Completed Under Delegated Authority		
Item	Name of Investment	Initial Contribution
Attachment 1	Tennenbaum Multi-Strategy Fund LLC	\$50 million

**Risk Managed Absolute Return Strategies (RMARS) Program
Executive Summary of Action Taken
Under Delegation of Authority**

Tennenbaum Multi-Strategy Fund LLC

Action:

Initial contribution of \$50 million into Tennenbaum Multi-Strategy Fund LLC (the "Fund") on May 1, 2006.

Background:

Based in Santa Monica, California, Tennenbaum Capital Partners (TCP) has over 50 employees, 20 of which are in the investment group. The Firm currently manages \$4 billion of long-term private markets capital. Tennenbaum Multi-Strategy Fund LLC invests across convertible bond arbitrage, capital structure arbitrage, risk arbitrage, and deep value / distressed debt. The investment team consists of one portfolio manager, a trader and four analysts.

Key Principals:

- **Micheal E. Tennenbaum, Senior Managing Partner.** Previously, Mr. Tennenbaum served for 34 years in various capacities at Bear Stearns. Including Vice Chairman, Investment Banking. His responsibilities included managing the firm's Risk Arbitrage Department, Investment Research Department and Options Department. While at Bear Stearns, he completed transactions in a variety of industries, including manufacturing, healthcare, gaming, energy, media, transportation and retailing. Mr. Tennenbaum's activities included financial advisory, mergers, recapitalizations, private and public financings (both equity and debt), management buyouts, expert testimony, fairness opinions, restructurings and insolvencies. He completed almost 200 assignments over almost 20 years. Mr. Tennenbaum currently serves as the Chairman of the Board of Pemco Aviation Group, Inc., an aircraft maintenance repair and overhaul company; as Chairman of Anacomp, Inc., a data and imaging services company; and as Vice-Chairman of Party City Corporation, the leading party goods retailer. He previously served as a Director of Bear Stearns Companies, Inc.; Jenny Craig, Inc; and of Tosco Corporation.
- **Hugh Steven Wilson, Managing Partner.** Previously, Mr. Wilson was a senior partner in the international law firm of Latham & Watkins. Mr. Wilson focused on the field of mergers and acquisitions. He was Global Co-Chair of

Latham & Watkins' Mergers and Acquisitions Practice Group and former Chairman of the national Litigation Department and the national Mergers and Acquisitions Litigation Practice Group. In addition to representing issuers, directors and financial advisors in connection with over 100 class action and derivative litigations, Mr. Wilson has represented bidders and targets in hostile tender offers and leverage buyout transactions, companies and insurgents in proxy contests and consent solicitations and frequently advised boards of directors and special committees in connection with their consideration of solicited and unsolicited offers, going private transactions, stock mergers and other business combinations, as well as in connection with the design and adoption of shareholder rights plans and other measures to protect shareholders from abusive takeover tactics. A graduate of the University of Chicago Law School, where he was also a member of the law review and Order of the Coif, Mr. Wilson received a Master of Laws degree from Harvard Law School. He received a B.A. from Indiana University.

- **Eric Pagel, Portfolio Manager.** Previously, Mr. Pagel was a fixed income portfolio manager at Symphony Asset Management. Mr. Pagel's responsibilities included portfolio management and trading for Symphony's convertible-arbitrage strategy and Symphony's best idea credit and capital structure arbitrage strategies. Eric was co-PM of Symphony's convertible bond fund from 2003 through April 2005. Prior to joining Symphony in 2001, Mr. Pagel was an Associate at UBS Warburg, working on the convertible bond sales desk. He worked at Ford Motor Company for five years where he was Lead Industrial Engineer at Ford Microelectronics. Mr. Pagel received his M.B.A. from the Kellogg School of Management at Northwestern University and his B.S. Degree in Industrial Engineering from Northwestern University.

Analysis:

- **The Fund's investment professionals have significant depth and experience.** Michael Tennenbaum has over 34 years of investment experience, including running one of the largest and most successful risk arbitrage departments in the world. Additionally, Steve Wilson was co-head of one of the largest and most successful M&A advisory legal departments in the world. Eric Pagel was co-portfolio manager for Symphony's Rhapsody Fund (convertible bond arbitrage) which is part of the RMARS Portfolio. During his tenure, Eric helped produced a very attractive investment record over a multi-year time span in both up and down markets.
- **The Fund generates substantial synergies leveraging from the Firm's other resources.** The Fund utilizes the deep resources of TCP's private markets group allowing it to invest in deep-value and capital structure

arbitrage ideas as well as gain private markets insight and views of industry trends.

Litigation:

According to Tennenbaum, there is no current, threatened, or pending litigation against the Firm that may have an adverse effect on the Fund.

Delegation Resolution Compliance:

This decision complies with CalPERS Delegation Nos. 89-13 and 95-50.

Due Diligence Report:

Staff has received a Due Diligence Report on this transaction from UBS.